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SUBJECT: NETHERLANDS: SOY ISSUE VEXES GOVERNMENT, INDUSTRY

Ref: (A) STATE 86566, (B) THE HAGUE 387

11. (SBU) SUMMARY: The Netherlands is fully aware of recent findings of unapproved biotech corn dust in U.S. soy product shipments (ref A). The Agriculture Minister intends to raise the issue at the September 7 EU Ag Council meeting. The Dutch food/feed industry is a large consumer of soy products and is keen to find a solution. The Dutch want to set a threshold for genetically modified organisms (GMOs) in imports. END SUMMARY.

THE PLAYERS

12. (U) Three Dutch Ministries are responsible for implementing and enforcing the regulatory framework for agricultural biotechnology -- Agriculture (LNV), Public Health (VWS), and Environment (VROM). The principal industry organizations involved are the Royal Dutch Grain and Feed Trade Association (Het Comite), the Netherlands Feed Industry Association (NEVEDI), the Main Board for Arable Crops (HPA), the Product Board for Margarine, Fats and Oils (MVO), and the Product Board for Livestock Meat and Eggs (PVE). Government and industry are aware of the low level presence findings of GM corn dust (MON88017 and MIR604) in U.S. soy product shipments.

INDUSTRY ACTION

13. (SBU) Thirteen industry groups sent a joint letter August 14 to Dutch Agriculture Minister Gerda Verburg, describing the implications of import suspensions and proposing a solution. Industry will meet Verburg on September 1 to highlight the urgency of this issue. The joint letter estimates a ban on U.S. soy products could cost the EU food/feed industry and livestock producers 3.5 to 5 billion euros. In the near term, industry is urging implementation of a threshold level for GMOs approved by the European Food Safety Agency (EFSA). Industry also wants a threshold level for GMOs implemented throughout the EU and applied to both animal feed and food products. For the longer term, Dutch industry urges speeding up the EFSA approval process for GMOs.

14. (SBU) An industry representative told us the GM corn dust findings could also affect trade in other commodities with other countries. For example, linseed imports from Canada have been blocked because of these findings.

EU AG COUNCIL SEPT. 7

15. (SBU) Dutch government and industry expect Minister Verburg to raise the biotech corn dust issue at the September 7 EU Agriculture Council meeting. They anticipate Verburg will urge a technical solution and acceleration of the approval process of GM corn varieties MON88017 and MIR604. An MVO industry rep told us the UK and Spain -- and probably Belgium, the Czech Republic, and Slovakia

-- will join the Netherlands in raising the issue. He added Portugal and Romania might follow suit. Despite the expected intervention, he did not expect a technical solution before the end of this year.

LONG-TERM DUTCH GMO STRATEGY

16. (U) The Dutch government has championed the use of socio-economic criteria in approving GMOs as a way to ease their acceptance in several EU Member States (ref B). They argue this additional step would enable the EU approval process to focus on scientific criteria and risk analysis, while giving Member States an opportunity to consider socio-economic criteria separately. Ideally, this would result in a more transparent discussion and allow the EU to achieve a qualified majority for approvals.

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